

VZCZCXRO5646  
PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR  
DE RUEHUP #1831/01 3180956  
ZNY CCCCC ZZH  
P 140956Z NOV 07  
FM AMEMBASSY BUDAPEST  
TO RUEHC/SECSTATE WASHDC PRIORITY 2190  
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE

C O N F I D E N T I A L SECTION 01 OF 02 BUDAPEST 001831

SIPDIS

SIPDIS

DEPARTMENT FOR EUR/NCE; PLEASE PASS TO NSC FOR ADAM STERLING

E.O. 12958: DECL: 11/07/2012

TAGS: [PGOV](#) [KDEM](#) [HU](#)

SUBJECT: ADJUSTING FIRE: HOW THE PARTIES ARE ADAPTING

REF: A) BUDAPEST 1818 B) BUDAPEST 1756 C) BUDAPEST

962 D) BUDAPEST 784

Classified By: P/E COUNSELOR ERIC V. GAUDIOSI: REASONS 1.4 (B) AND (D)

¶1. (SBU) As Parliament enters the last month of its 2007 session, some clear trends are emerging regarding the evolving organization of both the government and the opposition.

SPEED KILLS

¶2. (C) The government has demonstrated impressive resilience in its recent legislative offensive, moving quickly to table proposals on topics ranging from party financing (ref A) to tax reform (ref B). Their most recent proposals have emerged with little advance notice ) to us or evidently to the Parliament ) and are reportedly the result of the new circle of advisors in the Prime Minister's Office (PMO). The PMO is clearly driving the policy process, and those close to the office believe the new line-up gives Gyurcsany the ability to quickly capitalize on opportunities by generating initiatives to address public opinion. This will help the PM demonstrate that ) despite individual crises ) his government has not entered a "period of crisis."

¶3. (C) But the PMO may be moving faster than the speed of the party. MSzP MPs have felt repeatedly sandbagged by the PM, who has proposed major changes with only minimal ) and often belated ) consultation with the party. MP Vilmos Szabo tells us that Gyurcsany's "stubbornness" led the parliamentary faction to vote against his tax proposals (ref A), and he believes the friction within the party's praesidium could reach the point that ultimately "Gyurcsany will have to replace them ... or they will have to replace him."

¶4. (C) The junior coalition partner SzDSz is, if anything, more aggrieved by what they see as the PM breaking his commitments on health care and tax reform. Party leader Janos Koka told Ambassador Foley November 8 that he is "as pessimistic as I've ever been" about the future of the coalition given what MEP Istvan Szent-Ivanyi described as the PM's "inability to control the MSzP's rival warlords."

¶5. (C) Nor has the government managed to control the public sector. Funding for the PMO is up a reported 8 percent, while morale throughout the ministries seems to be in decline as talk of further "administrative reform" continues. Many in the public sector feel at risk of being marginalized as the PMO takes the lead on domestic policy. This would continue a clear trend of centralization that began with foreign affairs (ref C).

THE PM'S COMFORT ZONE

¶6. (C) It would also cater to Gyurcsany's preferred management style. Friends and foes alike describe the PM as relying on cogitation more than consultation, and say he seems to believe that his personal energy ) which MDF Party President Ibolya David likens to a tornado - will always be able to overcome political opposition. As a clearly frustrated Koka observed, "the Prime Minister has the energy, the ambition, and every other good quality necessary to carry out reforms ... except the credibility."

¶7. (C) This no-huddle offense presents definite risks given opposition within the party, but the real object may be the public. The PM's anti-corruption reforms continue to poll well, and he is making his longest local speaking tour in months to promote his plans for the allocation of EU assistance (septel), commenting on November 7 that "as politicians argue, life must go on in the countryside." That was an unpleasant surprise for Koka, who observed tartly to us that the PM might spend less time riding horses in the countryside and more time riding herd on the MSzP.

¶8. (C) Political analysts here believe the PM is betting that his initiatives will generate sufficient public support to ultimately keep the MSzP in line. Gyurcsany is evidently frustrated with the party he leads but has not yet fully controlled: his response may be an approach that goes directly from closed deliberations to public roll-out, circumventing the internal negotiations which have long characterized the MSzP.

#### THE OPPOSITION: CORPORATE TAKE-OVER?

¶9. (C) The opposition, meanwhile, is moving to a more corporate model of organization as it works to demonstrate its capacity to govern. In a meeting with diplomatic

BUDAPEST 00001831 002 OF 002

representatives November 7, FIDESZ Parliamentary Faction Leader Tibor Navracsics dismissed the government's efforts as "more spin than substance," contrasting their approach with his party's goal of "offering uncommitted voters practical reasons to vote for us." In practice, this may mean a combination of conservative values and populist economics in an attempt to envelop the government from both sides.

¶10. (C) Other faces are also becoming familiar sights as Party President Viktor Orban adjusts to delegating a degree of authority. With long-time party insiders Laszlo Kover and Janos Ader seemingly gravitating away from Orban's inner circle, the public is seeing more of Navracsics, Parliamentary Foreign Affairs Committee Chairman Zsolt Nemeth, Party Vice-President Mihalj Varga, and Defense and Law Enforcement Committee Chairman Janos Lazar. (Note: Navracsics confides to us that he would also like to see Party VP Ildiko Pelczne Gal take on a higher profile, especially regarding women's issues. End Note.) While there are still wild cards in the party, most notably outspoken MP and Debrecen Mayor Lajos Kosa and Budapest District XII Mayor Zoltan Pokorni, the party is building a strong team as it gears up for the elections of 2009 and 2010.

#### COMMENT: SURVIVAL OF THE FITTEST

¶11. (C) A process of natural selection is driving the parties to change their personnel (ref D) and their processes. After a year of criticism for "centralization without efficiency," the PMO is seemingly better able to support Gyurcsany's personal style and his political priorities - two things neither the party nor the bureaucracy has done to date. In his rhetoric and with his actions, the PM is effectively distancing himself from his own party. The opposition is moving cautiously in the opposite direction in terms of its organization, delegating a degree of authority to designated spokespersons on specific issues. Particularly in contrast to the pace of change on reform, both parties are moving very quickly to organize themselves for a long

campaign ahead. End Comment.

FOLEY